

December 1, 2017

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Notice of ex parte from Saddleback Communications and Gila River
Telecommunications, Inc.
Connect America Fund, WC Docket No. 10-90*

Dear Ms. Dortch:

By this letter, and pursuant to Section 1.1206 of the Commission's rules,¹ Saddleback Communications (Saddleback) and Gila River Telecom, Inc. (GRTI) provides notice of meetings that took place between representatives of Saddleback and GRTI and the FCC on November 29th and November 30th. During each of the meetings Saddleback and GRTI urged the Commission to adopt an order that was circulated on February 13, 2017 to exempt carriers primarily serving Tribal lands from the effects of the operating expense limitation rule (47 C.F.R. § 54.303) retroactive to January 1, 2017. The companies noted that the relief would be provided in recognition of the unique costs associated with serving Tribal lands which Saddleback, GRTI and other Tribally-owned carriers have amply demonstrated. Saddleback and GRTI explained that they have been negatively impacted by the operations expense limitation rule since it went into effect in January, losing hundreds of thousands of dollars in support for expenses their companies incurred prior to this rule change. This decrease in support is just one aspect of the broader high-cost universal service program changes that have negatively impacted their companies, which not only hinders their ability to maintain existing broadband networks but also has resulted in scaling back plans for expanding and upgrading broadband on their reservations. For Saddleback, the impact of the operations expense limitation rule is a reduction in support of \$71,830 per month, or \$861,960 per year. For GRTI, the impact of the operations expense limitation rule is a reduction in support of more than \$74,500 per month, or more than \$895,000 per year. Such funding is a significant reduction for small companies like Saddleback and GRTI trying to provide broadband service to sparsely populated Tribal communities.

¹ 47 C.F.R. § 1.1206.

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In addition to the immediate need for relief concerning the operations expense limitation rule, Saddleback and GRTI also discussed the need for broader FCC action to target additional support to carriers serving Tribal lands in order to close the Tribal broadband gap. However, such action should not in any way delay the adoption of the item currently on circulation.

On November 29th Saddleback and GRTI met with Chairman Pai and his wireline legal advisor Jay Schwarz and separately with Amy Bender, wireline legal advisor to Commissioner O’Rielly, and Travis Litman, wireline legal advisor to Commissioner Rosenworcel. On November 30th Saddleback and GRTI met with the Office of Native Affairs and Policy, represented by Matthew Duchense, Janet Sievert and Sayuri Rajapakse, and separately with Commissioner Clyburn and her wireline legal advisor, Claude Aiken. Representing Saddleback Communications was Bill Bryant, President and General Manager as well as Gary Bohnee, from the Salt River Pima-Maricopa Indian Community Office of Congressional and Legislative Affairs and the undersigned. Representing GRTI was Greg Guice, outside counsel at Akin Gump Strauss Hauer & Feld LLP.

Please direct any questions to the undersigned.

Respectfully submitted,

/s/ Patrick R. Halley

Patrick R. Halley

/s/ Gregory Guice

Gregory Guice